

# INFORMATION REPORT

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COUNTRY Hungary

## CONFIDENTIAL

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### 1. Ganz Shipyards, Budapest

The construction of a 4,000-ton motor vessel was completed at the Ganz shipyards during the first part of February 1951. This brought the number of ships constructed for the USSR to 46 with a total tonnage of 80,000 BRT. The ships are of two types, 1,300 BRT and 4,000 BRT.

### 2. Construction of Aluminum Works at Inota (near Veszprem)

An aluminum works is being built by 400 workmen at Inota. Production is planned to begin at the end of 1952. Bauxite will be supplied from the mines near Gant, and the electric current from the Pesti Nitrogen plant near Petfard5.

### 3. Production of Ball Bearings

The production of ball bearings in Hungary is far from satisfactory and no good-quality bearings are being manufactured. Production requirements, especially for precision instruments, are provided by

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### 4. Changes of Personnel at Hungarotex

- a. Andras Lukacs has been appointed General Manager of Hungarotex in place of Ferenc Hegyi, who has become special assistant to the President of the Economic Council, Minister Ern5 Ger5.
- b. Ferenc Hegyi has also been appointed to an important position in the Terzhivatal (Planning Office) as the representative of Ger5.
- c. As one of his first actions, Andras Lukacs has appointed Ferenc Lorant as Hungarotex representative in

### 5. Motor Vehicle Works at Szilagyi-Tepel (Csepel Island)

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Production at the Szilagyi-Tepel (Horthy Liget) Motor Vehicle Works has declined seriously because of shortages of materials. The daily rate of production, as of the end of February 1951, is 13 - 14 vehicles. The differential gears in 3 1/2-ton trucks are of poor quality and breakdowns occur daily during

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load tests. Tires for the trucks come from the USSR, and 60 percent of the ignition and lighting equipment from Czechoslovakia and Germany.

6. The Hofherr-Schranz Works, Budapest

At the end of 1950 this plant employed 3,000 workers, of which 1,800 are skilled laborers. Work is carried out in three shifts. Since autumn 1950, the plant has been producing tractors for agriculture and army purposes. These tractors are of two types: (1) Type C.R. 30/35 runs on rubber tires, solid rubber for the front wheels, pneumatic tires for the rear wheels. The monthly rate of production is 70 tractors. (2) Type Sz.L. 50/55 is a caterpillar-track type, 50 to 55 horsepower. The monthly production rate is 60 tractors. Both types run on a mixture of kerosene and gasoline in the proportion of 1:2. Production is said to have increased 50 percent in December 1950.

7. Rubber Products Factory, Budapest (Magyar Gummgyanta Arugyar)

This factory is located on Kerepasi Street, Budapest. As of January 1951, it employed approximately 1,500 workers. The factory produces tires and inner tubes for cars, trucks, tractors, bicycles, and motorcycles, and rubber idlers (Gummilaufrollen) for tanks. Raw materials are obtained from Britain and to a lesser extent from the USSR. The factory was nationalized in 1948 and is producing for the Russians.

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